NSC BRIEFIRE

17 May 1955

MARTELY HISTER

- Diem moving cautiously to consolidate military and political I. gains.
 - Personally supervised Army takeover of Imperial Guard at Dalat on 16 May, which has eliminated last source of potential organized support for Bao Dai.
 - B. Vietnamese Army is now encircling Binh Xuyen remnant (1,500 in marshes south of Saigon).
- II. Diem "studying with interest" joint US-French plans for integration of sect troops (Hos Hac, Cao Dai),
 - Cao Dai troops already rallied to Dies, but most Hos 4. Hao troops remain dissident.
 - B. Actual absorption of latter will probably involve much haggling and bribery.
 - C. Diem has complained to Ely of reports that French military are still in contact with Hos Hao dissidents.
 - Meanwhile, Cao Dai Pope is reportedly trying to D. assert authority over sect's forces. Dies believes French encouraging him, as potential focus of antigovernment activity.
- III. Diem has instructed Information Minister to curb auti-French tendencies in local press.
 - He still regards heavy concentration of French troops in Saigon area as provocative. DOCUMENTNO.

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- B. Present disposition of French forces is result of orders by C-in-C (Nly), who—as commander in chief in South Vietnam—also has paper command of UNA.
- C. Should Dien demand that French troops remaining in Vietnam be stationed at 17th Parallel truce line, action would call into question present command structure.
- IV. Meanwhile, Diem engaged in diplomatic efforts directed toward:
 - A. Prodding truce commission to obtain extension of deadline for refugee movement (which ended 18 May).
 - B. Molding VS-VK-French-Vietnamese conference in Saigon to demonstrate Vietnam's international standing.
 - 1. French have indicated willingness, provided conference consists of local representatives.
 - 2. Ametralian minister in Saigon thinks he should participate if UK does.

